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PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

JOINT INSPECTION UNIT

Travel in the United Nations: issues of efficiency and cost savings

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "Travel in the United Nations: issues of efficiency and cost savings" (A/50/692).

ANNEX

Comments of the Administrative Committee on Coordination

1. The Administrative Committee on Coordination (ACC) notes that the report of the Joint Inspection Unit entitled "Travel in the United Nations: issues of efficiency and cost savings" (A/50/692) and the recommendations contained therein are addressed to the General Assembly and the Secretariat of the United Nations. In a number of key respects, however, the implications of these recommendations are relevant to the travel activities of all organizations of the United Nations common system. Consequently, ACC is offering the present comments to the General Assembly in conjunction with the comments of the Secretary-General on the report (A/50/692/Add.1).

2. While aware of certain differences in approaches relating to travel policies and procedures among organizations of the system, ACC is of the view that care should be taken to ensure that any practical follow-up on the recommendations made in this respect does not lead to constraints to the existing flexibility exercised by the organizations of the system in the management of travel. The travel budgets of organizations are among the principal areas in which efficiency gains are being sought as a response to increasing budgetary constraints. The responses of individual organizations require continued adaptability and scope for action tailored to individual circumstances. In this context, ACC recognizes that there is merit in continued analysis of the comparative advantages of the different approaches to travel management in the future, in order to reap the benefits of successful innovations in this area in an environment of rapid change.

3. Indeed, travel issues of system-wide relevance have been the subject of many reviews over the years by the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) (CCAQ(FB)) and by ad hoc working parties convened under its auspices. For example, the lump-sum option for travel on home leave, which has proven its worth as a cost-effective alternative to the application of the full entitlements foreseen in organizations' staff regulations and rules, was one of the arrangements that emerged as the result of CCAQ(FB) studies on productivity.

4. ACC notes with satisfaction that a number of the recommendations contained in the report reflect practices and arrangements that are already widely employed throughout the system. Most travel units are versatile in taking advantage of market opportunities; member organizations obtain rebates, concessions and discounts from air carriers and agreements in this respect are regularly evaluated and renegotiated. Extensive computer-assisted processing of travel operations is in existence or is envisaged to be introduced; telecommunications and teleconferencing are recognized as an effective substitute for air travel, with the scope and pace of their implementation depending on the cost-effectiveness of available technology. All organizations have policies and practices in place to ensure that deductions are made in respect of free services provided to travellers by receiving countries or organizations.

5. As concerns the management of travel, ACC would like to emphasize that as a general rule the responsibility and accountability that are clearly assigned to managers should not be dispersed to committees. Furthermore, the existing division of labour should be maintained. Programme managers are directly responsible for ensuring that travel undertaken supports their substantive activities in an efficient and cost-effective manner, while the relevant administrative services are charged with ensuring compliance with rules and administrative instructions concerning standards of travel, and travel units are responsible for ensuring the usage of lowest applicable airfares and the consistent application of travel rules and regulations. Some ACC members already provide programme managers a certain degree of flexibility in reallocating funds between various objects of expenditure. However, all ACC members consider that travel expenditure should continue to be budgeted and accounted for separately to ensure transparency and effective control. Since programme managers are already held accountable for the efficient use of resources, ACC strongly believes that it would be neither appropriate nor ethical to reward them by any special incentives along the lines envisaged in recommendation 3.3, for achieving what they are expected to accomplish.

6. ACC believes that care should be taken to ensure that changes that might be introduced to travel practices in the future do not make administrative arrangements more complicated and cumbersome. For this reason, ACC considers that the existing daily subsistence allowance system should be maintained, as the proposed actual expense-based system of travel subsistence would contradict the system-wide emphasis on simplification of travel and other administrative procedures and would require that considerable additional administrative costs be devoted to checking the relevant documentary evidence. Similarly, most organizations consider the existing system of reimbursing terminal expenses is more cost-effective than an expense-based system, which they consider would require additional resources. In this connection, it is noted that the amounts allowed under the present system of terminal expenses are generally less than the actual costs.

7. While coordination among travel services is already taking place both through the mechanism described in paragraph 3 above and the mutual exchange of information, ACC concurs that it would be desirable to develop comprehensive manuals on travel and establish guidelines for contractual relationships for travel services, adapted for specific duty stations.

8. In conclusion, ACC wishes to inform the General Assembly that governing bodies in individual organizations continue to review travel practices and costs as part of their consideration of reports on budgetary performance and particularly in the exercise of their oversight function.